

ALABAMA LEGISLATURE COMMITTEE FILES 1999-2000 8672

9790 HOUSE COMMUNITY & REGIONAL AFFAIRS

Line Item Detail
Department of Public Safety
Travel

Component: Administration
BRU: Village Public Safety Officer Program

Expenditure Account	Account Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
72000	Travel	7.0	7.0	7.0

Funding Source

Fund Code	Fund Source Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
1004	General Fund Receipts	7.0	7.0	7.0

Detail Information

Sub-Expenditure Account	Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
72200	Travel Transportatn			
	72240 FIELD TRAVEL \$3.6 In-state transportation for the VPSO Training Coordinator.	5.0	5.0	5.0
	72280 ADMINISTRATIVE TRAVEL \$1.4 VPSO Program Coordinator travel to recruit academy and regional meetings in Bethel, Fairbanks, Juneau, Kotzebue, Nome, Kodiak, and Dillingham.			
72500	Per Diem/Other Costs			
	72540 FIELD TRAVEL \$.5 Per diem on above-referenced field travel.	2.0	2.0	2.0
	72580 ADMINISTRATIVE TRAVEL \$1.5 Per diem on above-referenced administrative travel.			

Line Item Detail
Department of Public Safety
Contractual

Component: Administration
BRU: Village Public Safety Officer Program

Expenditure Account	Account Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
73000	Contractual	6.2	6.2	6.2

Funding Source

Fund Code	Fund Source Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
1004	General Fund Receipts	6.2	6.2	6.2

Detail Information

Sub-Expenditure Account	Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
73300	Communications 73320 TELEPHONE \$2.1 Long distance communications with field personnel, contractors, and VPSOs. 73380 POSTAGE \$2.0 Postage and handling for correspondence with non-profit organizations.	4.1	4.1	4.1
73400	Transportation 73460 FREIGHT AND EXPRESS CHARGES \$.3 Courier service of inter-office correspondence between VPSO office and Public Safety headquarters in Anchorage.	0.3	0.3	0.3
73500	Adv Print & Bind 73501 SUBSCRIPTIONS \$.3	0.3	0.3	0.3
73800	Rentals/Leases 73860 MACHINERY & EQUIPMENT \$1.2 Shared copier rental.	1.2	1.2	1.2
73900	Other Expend/Svcs 73912 CONFERENCE REGISTRATION \$.3	0.3	0.3	0.3

Line Item Detail
Department of Public Safety
Supplies

Component: Administration
BRU: Village Public Safety Officer Program

Expenditure Account	Account Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
74000	Supplies	2.2	2.2	2.2

Funding Source

Fund Code	Fund Source Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
1004	General Fund Receipts	2.2	2.2	2.2

Detail Information

Sub-Expenditure Account	Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
74200	Office Supplies 74220 OFFICE SUPPLIES \$1.1 Copier paper, pens, file folders, etc.	1.1	1.1	1.1
74400	Operating Supplies 74560 DATA PROCESSING SUPPLIES \$1.1 Diskettes, minor software upgrades, and other consumable microcomputer supplies.	1.1	1.1	1.1

Revenue Summary
Department of Public Safety

Component: Administration

BRU: Village Public Safety Officer Program

Type of Revenue	FY1998 Actuals	FY1999 Authorized	FY1999 Cash Estimate	FY2000 Governor	FY2001 Forecast
Restricted Revenues					
Investment Loss Trust	2.5	0.6	0.6	0.0	0.0
Total Restricted	2.5	0.6	0.6	0.0	0.0
Total Revenues	2.5	0.6	0.6	0.0	0.0

Restricted Revenue Detail

Department of Public Safety

Component: Administration

BRU: Village Public Safety Officer Program

Revenue Account	Revenue Description			FY1998 Actuals	FY1999 Authorized	FY1999 Cash Estimate	FY2000 Governor	FY2001 Forecast
51393	Investment Loss Trust			2.5	0.6	0.6	0.0	0.0
Detail Information								
Sub-Revenue Account	Revenue Description	AKSAS Fund	Collocation Code	FY1998 Actuals	FY1999 Authorized	FY1999 Cash Estimate	FY2000 Governor	FY2001 Forecast
51393	Investment Loss Trust	11100	1262XXXX	2.5	0.6	0.6	0.0	0.0

Component: Support

Manager: Col. Glenn Godfrey, Director

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.Component Mission

To support the Village Public Safety Officers in the field, monitor and provide guidance as to the day-to-day activities of VPSOs, and work with village leaders and the regional native nonprofit corporations to ensure that the VPSO program is meeting its basic mission as first responders to public safety needs in rural communities.

Component Services Provided

This component funds thirteen state positions and their associated costs. These positions communicate on a daily basis with VPSOs, native nonprofit corporations, state and federal agencies, and village leaders working in a partnership to meet the demands of rural public safety. While providing expertise and direction to VPSOs carrying out their duties, these positions identify training needs, equipment needs and supply requirements, which are funded through this component.

Component Goals and Strategies for FY2000

- provide hands-on support to the VPSOs by telephone and routine village visits which involve remaining in the villages overnight, during which training and direction are routinely provided as is participation with the village elders and community leaders in establishing an effective public safety program.
- expand training for VPSOs through their participation in Department of Public Safety, Alaska Police Standard Council, and other training in addition to their basic and regional training to enhance their ability to accomplish their mission and provide an effective service to their community.
- ensure the VPSOs' work product is within the standards set by the community and the state in order to meet all public safety goals.

Key Component Issues for FY1999 – 2000

Oversight of the Village Public Safety Officers assigned around the state is provided by commissioned personnel assigned to this component as well as those in the Detachments BRU, who are also an essential element of the program. Adequate oversight is required to assure the success of the program.

Major Component Accomplishments for FY1998

- 1650 day oversight visits
- 298 overnight oversight visits
- 17 VPSOs trained

Statutory and Regulatory Authority

- 1) DPS - Powers and duties of department (AS 44.41.020)
- 2) State Troopers (AS 18.65.010-110)
- 3) VPSO Definition (AS 01.10.060(6))
- 4) VPSO Program (AS 18.65.670)

**Support
Resource Summary**

All dollars in thousands

	FY1998 Actuals	FY1999 Authorized	FY2000 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,113.6	1,144.0	1,162.3
72000 Travel	70.5	136.7	136.7
73000 Contractual	330.7	354.1	354.1
74000 Supplies	114.7	67.9	67.9
75000 Equipment	57.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,686.5	1,702.7	1,721.0
Funding Sources:			
1004 General Fund Receipts	1,675.1	1,701.0	1,721.0
1053 Investment Loss Trust Fund	11.4	1.7	0.0
Funding Totals	1,686.5	1,702.7	1,721.0

Estimated Support Revenue Collections

Description	Master Revenue Account	FY1998 Cash Estimate	FY1998 Actuals	FY1999 Authorized	FY2000 Governor
Unrestricted Revenues					
None.		0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0
Restricted Revenues					
investment Loss Trust	51393	0.0	11.4	1.7	0.0
Restricted Total		0.0	11.4	1.7	0.0
Total Estimated Revenues		0.0	11.4	1.7	0.0

Support

Proposed Changes in Levels of Service for FY2000

The current level of service will be maintained without significant changes.

Component — Summary of Budget Changes

From FY1999 Authorized to FY2000 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY1999 Authorized	1,702.7	0.0	0.0	1,702.7
Adjustments which will continue current level of service:				
-Change Investment Loss Trust Fund to General Fund	0.0	0.0	0.0	0.0
-Maintain VPSO Support	18.3	0.0	0.0	18.3
FY2000 Governor	1,721.0	0.0	0.0	1,721.0

Support

Component — Personal Services Information

Authorized Positions			Personal Services Costs	
	FY1999 Authorized	FY2000 Governor		
Full-time	13	13	Annual Salaries	800,493
Part-time	0	0	Premium Pay	113,897
Nonpermanent	0	0	Annual Benefits	309,561
			<i>Less 5.04% Vacancy Factor</i>	(61,651)
			Lump Sum Premium Pay	0
Totals	13	13	Total Personal Services	1,162,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk I	0	0	0	1	1
Administrative Clerk II	1	0	0	1	2
Aircraft Pilot I	0	0	0	1	1
Lieutenant PS	1	0	0	0	1
Sergeant PS	1	0	0	0	1
State Trooper	0	1	0	6	7
Totals	3	1	0	9	13

Component Detail
Department of Public Safety

Component: Support
 BRU: Village Public Safety Officer Program

	FY1998 Actuals	FY1999 ABS Conference Committee	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor	FY1999 Authorized Vs FY2000 Governor	
71000 Personal Services	1,113.6	1,140.7	1,144.0	1,162.3	1,162.3	18.3	1.6%
72000 Travel	70.5	136.7	136.7	136.7	136.7	0.0	0.0%
73000 Contractual	330.7	354.1	354.1	354.1	354.1	0.0	0.0%
74000 Supplies	114.7	67.9	67.9	67.9	67.9	0.0	0.0%
75000 Equipment	57.0	0.0	0.0	0.0	0.0	0.0	0.0%
76000 Land Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,686.5	1,699.4	1,702.7	1,721.0	1,721.0	18.3	1.1%
Funding Sources :							
1004 Gen Fund	1,675.1	1,699.4	1,701.0	1,721.0	1,721.0	20.0	1.2%
1053 Invst Loss	11.4	0.0	1.7	0.0	0.0	-1.7	-100.0%
Positions :							
Permanent Full Time	13	13	13	13	13	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail With Description

Department of Public Safety

Scenario: FY2000 Governor
 Component: Support
 BRU: Village Public Safety Officer Program

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Non Specific	Positions		
												PFT	PPT	NP
Breakout Conference Committee	Breakout	1,699.4	1,140.7	136.7	354.1	67.9	0.0	0.0	0.0	0.0	0.0	13	0	0
1004 Gen Fund	1,699.4													
FY99 COLA Spread	SalAdj	3.3	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	1.6													
1053 Invst Loss	1.7													
Change Investment Loss Trust Fund to General Fund	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	1.7													
1053 Invst Loss	-1.7													
Maintain VPSO Support	Trin	18.3	18.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	18.3													
Recent turnover in personnel in the VPSO Administration component has resulted in less experienced staff performing the administrative functions of the VPSO program. It is necessary to transfer some of the personal services funding to the VPSO Support component where more experienced troopers have been assigned and where underfunding exceeds the maximum allowable.														
Totals		1,721.0	1,162.3	136.7	354.1	67.9	0.0	0.0	0.0	0.0	0.0	13	0	0

Change Record Detail - Multiple Scenarios

Department of Public Safety

Component: Support

BRU: Village Public Safety Officer Program

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land Buildings	Grants Claims	Misc.	Non Specific	Positions			
												PFT	PPT	NP	
***** Changes From FY1999 ABS Conference Committee To FY1999 Authorized *****															
Breakout Conference Committee	Breakout	1,699.4	1,140.7	136.7	354.1	67.9	0.0	0.0	0.0	0.0	0.0	13	0	0	
1004 Gen Fund	1,699.4														
FY99 COLA Spread	SalAdj	3.3	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	
1004 Gen Fund	1.6														
1053 Invst Loss	1.7														
	FY1999 Authorized:	1,702.7	1,144.0	136.7	354.1	67.9	0.0	0.0	0.0	0.0	0.0	13	0	0	
***** Changes From FY1999 Authorized To FY2000 Adjusted *****															
Change Investment Loss Trust Fund to General Fund	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	
1004 Gen Fund	1.7														
1053 Invst Loss	-1.7														
Maintain VPSO Support	Trin	18.3	18.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	
1004 Gen Fund	18.8														
	FY2000 Adjusted:	1,721.0	1,162.3	136.7	354.1	67.9	0.0	0.0	0.0	0.0	0.0	13	0	0	
***** Changes From FY2000 Adjusted To FY2000 Governor *****															
	FY2000 Governor:	1,721.0	1,162.3	136.7	354.1	67.9	0.0	0.0	0.0	0.0	0.0	13	0	0	

Personal Services Expenditure Detail

Department of Public Safety

Scenario: FY2000 Governor
 Component: Support
 BRU Name: Village Public Safety Officer Program

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Steps	Budg Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
12-1174	Sergeant PS	FT	P	AA	Anchorage	1A	78 K	12.0		68,508	0	10,458	26,526	105,492	105,492
12-1281	State Trooper	FT	P	AA	Aniak	1J	76 J / K	12.0		79,492	0	14,579	29,551	123,622	123,622
12-1285	State Trooper	FT	P	AA	Klawock	1C	76 K	12.0		63,648	0	12,311	25,923	101,882	101,882
12-1417	State Trooper	FT	P	AA	Fairbanks	1B	76 B / C	12.0		50,651	0	10,226	22,184	83,061	83,061
12-1547	Aircraft Pilot I	FT	P	GG	Bethel	1K	16 M	12.0		71,916	0	6,638	25,470	104,024	104,024
12-1566	State Trooper	FT	P	AA	King Salmon	1H	76 L	12.0		79,368	0	14,579	29,526	123,473	123,473
12-1601	State Trooper	FT	P	AA	Kodiak	1C	76 A	12.0		49,188	0	10,226	21,801	81,215	81,215
12-1604	Administrative Clerk II	FT	A	GG	Dillingham	1H	8 C / D	12.0		31,172	0	2,858	14,603	48,633	48,633
12-1605	Administrative Clerk II	FT	A	GG	Anchorage	1A	8 J	12.0		27,552	0	2,543	13,606	43,701	43,701
12-1606	Administrative Clerk I	FT	A	GG	Kotzebue	1L	7 B / C	12.0		32,278	0	2,927	14,901	50,106	50,106
12-1608	Lieutenant PS	FT	P	SS	Anchorage	1A	22 L	12.0		75,864	0	576	24,627	101,067	101,067
12-1708	State Trooper	FT	P	AA	Saint Mary's	1J	76 L	12.0		85,428	0	15,452	30,915	131,795	131,795
12-1709	State Trooper	FT	P	AA	Kotzebue	1J	76 L	12.0		85,428	0	10,524	29,928	125,880	125,880

	Total Positions	New	Deleted	
Full Time Positions:	13	0	0	Total Salary Costs :
Part Time Positions:	0	0	0	Total COLA :
Non Permanent Positions:	0	0	0	Total Premium Pay :
Positions in Component:	13	0	0	Total Benefits :
				Total Personal Services :
				Minus Vacancy Adj. (5.04%):
				Sub - Total :
				Plus Lump Sum Premium Pay :
				Personal Services Line 100 :

PCN Funding Sources	Amount	Percent
1004 General Fund Receipts	1,223,951.00	100.00%
Total PCN Funding:	1,223,951.00	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column

Line Item Detail
Department of Public Safety
Personal Services

Component: Support
BRU: Village Public Safety Officer Program

Expenditure Account	Account Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
71000	Personal Services	1,144.0	1,162.3	1,162.3

Funding Source

Fund Code	Fund Source Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
1004	General Fund Receipts	1,142.3	1,162.3	1,162.3
1053	Investment Loss Trust Fund	1.7	0.0	0.0

Detail Information

Sub-Expenditure Account	Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
71000	Total Personal Services	1,144.0	1,162.3	1,162.3

Line Item Detail
Department of Public Safety
Travel

Component: Support
 BRU: Village Public Safety Officer Program

Expenditure Account	Account Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
72000	Travel	136.7	136.7	136.7

Funding Source

Fund Code	Fund Source Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
1004	General Fund Receipts	136.7	136.7	136.7

Detail Information

Sub-Expenditure Account	Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
72200	Travel Transportatn			
	72240 FIELD TRAVEL \$55.5 Routine patrol, remote area patrol, and special field assignments.	75.5	75.5	75.5
	72251 ADMINISTRATIVE TRAVEL \$3.0 VPSO supervisors provide insight and supervision to posts throughout the bush.			
	72300 CONVENTIONS AND MEETINGS \$2.0 Travel for annual meeting with program staff to preserve uniformity of VPSO Program.			
	72390 NON-EMPLOYEE TRAVEL \$15.0 In-state travel for the VPSOs who are required to travel, but not chargeable to the contracts.			

Line Item Detail
Department of Public Safety
Travel

Component: Support
 BRU: Village Public Safety Officer Program

Detail Information

Sub-Expenditure Account	Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
72500 Per Diem/Other Costs	72540 FIELD TRAVEL \$50.5 Per diem on above-referenced field travel.	61.2	61.2	61.2
	72570 ADMINISTRATIVE TRAVEL \$1.0 Per diem on above-referenced administrative travel.			
	72600 CONVENTIONS AND MEETINGS \$5.9 Per diem on above-referenced meeting travel.			
	72691 NON-EMPLOYEE TRAVEL \$3.8 Per diem associated with VPSO prisoner transports.			

Line Item Detail
Department of Public Safety
Contractual

Component: Support
 BRU: Village Public Safety Officer Program

Expenditure Account	Account Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
73000	Contractual	354.1	354.1	354.1

Funding Source

Fund Code	Fund Source Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
1004	General Fund Receipts	354.1	354.1	354.1

Detail Information

Sub-Expenditure Account	Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
73100	Professional Svcs 73270 OTHER PROFESSIONAL SERVICES \$112.2 a) RSA - DPS Training Academy - Recruit Academy 85.7 b) RSA - DPS Fire Prevention - Basic Rural Firefighter 26.5	112.2	112.2	112.2
73300	Communications 73320 TELEPHONE \$37.5 Base telephone costs (shared) and long distance communications for calls throughout the bush communities in Alaska. 73340 TELEGRAPH AND TELETYPE \$2.0 Fax transmittals to village posts. 73380 POSTAGE \$4.0 Mailing of correspondence to village communities.	43.5	43.5	43.5
73400	Transportation 73460 FREIGHT & EXPRESS CHARGES \$2.5 Freight of supplies to bush communities.	2.5	2.5	2.5

Line Item Detail
Department of Public Safety
Contractual

Component: Support
BRU: Village Public Safety Officer Program

Detail Information

			FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
Sub-Expenditure Account	Explanation				
73400	Transportation	73420 MOTOR POOL CHARGES \$41.1 Eight (8) Highway Working Capital Fund (HWCF) vehicles. 73422 Gasoline. \$4.4 73423 Operating costs. \$18.1 73869 HWCF vehicle replacement costs. \$18.6	41.1	41.1	41.1
73500	Adv Print & Bind	73560 PRINTING AND BINDING \$1.0 Processing of crime scene photographs.	1.0	1.0	1.0
73600	Public Utility Svcs	73620 ELECTRICITY \$1.5 Shared utility costs.	1.5	1.5	1.5
73700	Minor Repairs & Maint	73780 MACHINE/EQUIPMENT REPAIR AIR/MAINTENANCE \$87.3 73781 Repair office typewriters, recorders, etc. 6.0 73762 Repairs and maintenance for three aircraft: Cessna 207 (N6476H) in Bethel (\$121.70/hr x 230 hours) 28.0 Cessna 404 (N96869) in Anchorage (\$166.40/hr x 160 hours) 26.6 Piper Saratoga (N9084J) in King Salmon (\$113.36/hr x 236 hours) 26.7	87.3	87.3	87.3
73800	Rentals/Leases	73850 SPACE EXPENSES \$34.8 Rental of airport and other space as follows: Aniak 1.1 Anchorage 14.2 Bethel Office 2.1 Bethel Hangar 1.6 King Salmon 1.4 St. Mary's 14.4	34.8	34.8	34.8

Line Item Detail
Department of Public Safety
Contractual

Component: Support
BRU: Village Public Safety Officer Program

Detail Information

Sub-Expenditure Account		Explanation		FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
73860	Machinery & Equip	73860 MACHINERY & EQUIPMENT \$19.0 73864 Aircraft charters. 73866 Copier lease - fixed cost.		19.0	19.0	19.0
73900	Other Expend/Svcs	73905 INSURANCE AND BONDS \$8.9 Risk Management for three aircraft: Cessna 207 (N6476H) - Bethel Cessna 404 (N69869) - Anchorage (Statewide) Piper Saratoga (N9084J) - King Salmon 73912 CONFERENCE REGISTRATION \$2.3 Registration fees to attend conferences, such as Inhalant Abuse Prevention.		11.2	11.2	11.2

Line Item Detail
Department of Public Safety
Supplies

Component: Support
 BRU: Village Public Safety Officer Program

Expenditure Account	Account Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
74000	Supplies	67.9	67.9	67.9

Funding Source

Fund Code	Fund Source Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
1004	General Fund Receipts	67.9	67.9	67.9

Detail Information

Sub-Expenditure Account	Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
74200	Office Supplies 74220 OFFICE/LIBRARY SUPPLIES \$10.0 Stationery, training materials copier paper and general office supplies for VPSOs throughout the State.	10.0	10.0	10.0
74400	Operating Supplies 74480 HOUSEHOLD/INSTITUTIONAL \$12.3 74608 Replacement uniforms for VPSOs. 74560 DATA PROCESSING SUPPLIES \$2.6 Printer paper, minor software upgrades. 74600 OTHER OPERATING SUPPLIES \$42.0 Road flares, ammunition for yearly qualifications, batteries, marine fuel for riverboats, and aviation fuel.	56.9	56.9	56.9
74650	Repair/Mainten Suppl REPAIR AND MAINTENANCE SUPPLIES 74690 STRUCTURAL SUPPLIES \$1.0 Building materials for minor repairs.	1.0	1.0	1.0

Revenue Summary
Department of Public Safety

Component: Support

BRU: Village Public Safety Officer Program

Type of Revenue	FY1998 Actuals	FY1999 Authorized	FY1999 Cash Estimate	FY2000 Governor	FY2001 Forecast
Restricted Revenues					
Investment Loss Trust	11.4	1.7	1.7	0.0	0.0
Total Restricted	11.4	1.7	1.7	0.0	0.0
Total Revenues	11.4	1.7	1.7	0.0	0.0

Restricted Revenue Detail

Department of Public Safety

Component: Support

BRU: Village Public Safety Officer Program

Revenue Account	Revenue Description			FY1998 Actuals	FY1999 Authorized	FY1999 Cash Estimate	FY2000 Governor	FY2001 Forecast
51393	Investment Loss Trust			11.4	1.7	1.7	0.0	0.0
Detail Information								
Sub-Revenue Account	Revenue Description	AKSAS Fund	Collocation Code	FY1998 Actuals	FY1999 Authorized	FY1999 Cash Estimate	FY2000 Governor	FY2001 Forecast
51393	Investment Loss Trust	11100	1262XXXX	11.4	1.7	1.7	0.0	0.0

Interagency Services
Department of Public Safety

Component: Support
BRU: Village Public Safety Officer Program

FY1999 Authorized FY2000 Adjusted FY2000 Governor

Sub-Expenditure Account	Service Description	Service Type	Servicing Agency			
73100	Professional Svcs 73270 OTHER PROFESSIONAL SERVICES \$112.2 a) RSA - DPS Training Academy - Recruit Academy 85.7 b) RSA - DPS Fire Prevention - Basic Rural Firefighter 26.5	Internal - RSA	Public Safety	112.2	112.2	11
73100 Professional Svcs subtotal:				112.2	112.2	11
73400	Transportation 73420 MOTOR POOL CHARGES \$41.1 Eight (8) Highway Working Capital Fund (HWCF) vehicles. 73422 Gasoline. \$4.4 73423 Operating costs. \$18.1 73869 HWCF vehicle replacement costs. \$18.6	Internal - Direct	Transportation	41.1	41.1	4
73400 Transportation subtotal:				41.1	41.1	4
Support total:				153.3	153.3	15

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Juneau, Alaska 99801-2105

Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

SCRA

4/7/99

1:40 p.m.

**VPSO PROGRAM CONTRACTS COMPARISON
FY99**

VPSO Positions	5	28	11	3	5	9	7	9	7	84
Grantee	APIA	AVCP	BBNA	CHUG	KANA	KAWE	MANU	TCC	THCC	TOTAL
Fiscal Year	99	99	99	99	99	99	99	99	99	99
VPSO Salaries	187,460	947,220	347,209	66,782	126,875	321,943	240,158	384,344	205,421	2,827,412
VPSO Benefits	80,011	285,067	146,519	23,620	41,869	105,243	74,257	195,236	88,522	1,040,344
VPSO Overtime	0	3,000	5,000	0	0	5,000	0	0	2,100	15,100
VPSO Travel	16,000	30,000	13,000	3,000	5,230	16,000	8,000	26,250	8,400	125,880
Total VPSO Direct	283,471	1,265,287	511,728	93,402	173,974	448,186	322,415	605,830	304,443	4,008,736
Administration Direct	50,503	66,246	36,610	23,106	26,112	62,075	60,381	70,523	61,631	457,187
Indirect Cost Recovery	78,818	231,886	164,502	34,953	55,624	130,729	91,871	70,152	76,327	934,862
VPSO Professional Liability Insurance	8,662	40,424	15,881	4,331	7,219	12,993	10,106	12,993	10,106	122,715
Total Grant	421,454	1,603,843	728,721	155,792	262,929	653,983	484,773	759,498	452,507	5,523,500
Indirect as Percentage of Total Grant	18.70%	14.46%	22.57%	22.44%	21.16%	19.99%	18.95%	9.24%	16.87%	16.93%
Proposed Work Draft CSSB 131 CRA										
Proposed Indirect CAP as Percentage of Total Grant	18.0%	18% (14.46%)	18.0%	18.0%	18.0%	18.0%	18.0%	18% (9.24%)	18%(16.87%)	
Old Indirect Amount	78,818	231,886	164,502	34,953	55,624	130,729	91,871	70,152	76,327	934,862
New Indirect Amount	75,862	231,886	131,170	28,043	47,327	117,717	87,259	70,152	76,327	865,742
Difference (a)	2,956	0	33,332	6,910	8,297	13,012	4,612	0	0	69,120
(a) Using FY99 as an example, this is the estimated amount that would be available for reallocation to VPSO positions if the proposed work draft in Senate CRA (CSSB 131 CRA) is adopted.										

REPRESENTATIVE
GENE THERRIAULT
Co-Chair
(907) 465-4797
Fax: (907) 465-3884

INTERIM ADDRESS
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271

Alaska State Legislature
House Finance Committee



State Capitol, Juneau, Alaska 99801-1182

REPRESENTATIVE
ELDON MULDER
Co-Chair
(907) 465-2647
Fax: (907) 465-3518

INTERIM ADDRESS
716 W. 4th Ave., Suite 310
Anchorage, Alaska 99501
(907) 269-0265
Fax: (907) 269-0264

SPONSOR STATEMENT

HOUSE BILL 193

ADMIN COSTS VILLAGE PUBLIC SAFETY OFFICERS

House Bill 193 is related to grants to nonprofit regional corporations for village public safety officers (VPSO's). It would limit the amount of administrative overhead that the nonprofit corporations are able to charge against grants received from the state.

Throughout rural Alaska, VPSO's are on the front lines and are usually the only law enforcement presence in the community. They play a critical role in protecting the public's safety - from first aide to fire suppression to being the first to respond to serious crimes. In FY99, approximately 5.5 million dollars were passed from the Department of Public Safety to the nonprofit corporations overseeing VPSO's. Four million dollars went toward salaries and benefits of 80 officers covering 82 villages; the balance of funding went to administration (approximately 27.5% or 1.5 million dollars). HB193 will provide consistency in administrative costs among the nonprofit providers as they manage their respective programs.



04/22/99
08:29:38

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
PARTICIPANT LIST (TESTIFIERS ONLY)
TCN:90630 SCHEDULED FOR:04/22/99 08:00 TO 10:00
PUBLIC HEARING HOUSE COMMUNITY AND REGIONAL AFFAIRS

LTN1150
BY:JNU
FOR:ALL

LOCATION: ANCHORAGE

HB 193	ROBIN	LOWN	VPSO PROG MGR	TESTIFY
HB 193	RICHARD	KRAUSE	UPSO COORDINATOR	TESTIFY
HB 200	STEVE	VAN SANT	STATE ASSESSOR	TESTIFY

LOCATION: DILLINGHAM

HB 193	BRAD	ANGASAN	BBNA	TESTIFY
HB 193	TERRY	HOEFFERLE	BBNA	TESTIFY

LOCATION: FAIRBANKS

HB 193	MR. JIM	KNOPKE	TCC	TESTIFY
--------	---------	--------	-----	---------

LOCATION: KOTZEBUE

HB 193	MR. STEVE	GOMEZ	MANIILAQ MP	TESTIFY
--------	-----------	-------	-------------	---------

LOCATION: NOME

HB 193	MS. JOSIE	STILES	KAWERAK	TESTIFY
--------	-----------	--------	---------	---------



1-LS0841\G
Luckhaupt
4/16/99

CS FOR HOUSE BILL NO. 193()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to grants to nonprofit regional corporations for village public
2 safety officers."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 18.65.670(b) is amended to read:

5 (b) With funds appropriated for that purpose, the commissioner of public
6 safety shall provide grants to nonprofit regional corporations for village public safety
7 officers. The indirect costs of a nonprofit regional corporation to administer a
8 grant received under this subsection may not exceed 18 percent of the total
9 amount of the grant. Indirect costs include all costs other than

- 10 (1) the salary, benefits, overtime, and travel of a village public
- 11 safety officer or a coordinator of the grant or program;
- 12 (2) professional liability insurance; and
- 13 (3) equipment.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 193

Revision Date/ 4/19/99 Dept. Affected Public Safety
 Title Admin costs Village Public Safety Officers BRU _____
 Component _____
 Sponsor H. Finance
 Requester H. C & RA Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	*	*	*	*	*	*


Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time	*	*	*	*	*	*
Part-time	*	*	*	*	*	*
Temporary	*	*	*	*	*	*

ANALYSIS: (Attach a separate page if necessary)

The bill's fiscal impact is unknown.



Prepared by Sandy Perry, Provost, Special Assistant Phone 465-4322
 Division Office of the Commissioner Date/Time 4/19/99 2:17 PM
 Approved by Commissioner Ronald L. Otte Date 4/19/99
 Agency Department of Public Safety

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MEMORANDUM

TO: Representative, Halcrow
Representative, Harris

DATE: 04/21/99

FILE NO: 12

TELEPHONE NO: (907) 859-2415

FROM: V.P.S.O. Dave Fox

SUBJECT: V.P.S.O. Raise 1999.

The V.P.S.O. Program has been around for a long time and it seems to me that we as Officers of the law are still getting no respect from other agencies and most of Alaska really doesn't even know who or what we do. Our job is very demanding we are on call 24 hours of the day 365 days a year, we deal with the same issues as the bigger cities, but the only difference is that most of us Do Not have any kind of back up. The V.P.S.O.'s not only have to deal with police work but a hand full of other responsibilities, like Search and rescue, Fire, EMS. Most of the time we have so many things to do there are not enough hours in the day. It is also very hard for us to do our job without any kind of over time allowed, all of the time we work for free because there is no overtime allowed and that is not right. The job we have is not easy because most of the time we have to deal with family members or friends and that puts a lot of added stress on us. I am proud to be a V.P.S.O. and I enjoy my job because I'm definitely not in my job for the money. The V.P.S.O.'s are the lowest payed officers in Alaska, but we have the most responsibility to our communities, other officers get to go home and relax, not us because we are always on call and when there is a call we don't make up excuses not to go, because we know that we are the first responder in the last frontier and we are proud of that. There are a lot of great V.P.S.O.'s in the field today that make a huge difference in their community. I just wish the rest of Alaska would realize that we are a vital part of law enforcement in rural Alaska.

The V.P.S.O.'s don't ask for much we just want some respect from other law enforcement Agencies and get credit for the work we do in our communities. The job we have is a hard one, we go to all calls without a gun and without any back up. I bet if you took the guns away from the other departments they wouldn't even think about going to a Domestic Violence call or any other call. I feel that we have the hardest job in Alaska hands down and I dare someone from another department to go to a Village for one month and do my job with my pay and without their weapon. The legislature is always talking about cutting our budget, don't they realize that we are low payed and work very long hours and some V.P.S.O.'s even qualify for Welfare, and this how the State thanks us for doing a hard and sometimes very dangerous job. Don't get me wrong I love my job and all the challenges that come with my job.

I hear some of the Legislators are telling V.P.S.O.'s they intend to take operating funds away from our own employer's the nonprofit regional corporations, because they cost too much. Then this savings will be used for a V.P.S.O. pay raise. Our employers are audited by independent CPA firms each year, the state of Alaska pays for the audits and receives a copy. I have not heard of any illegal actions with the funding. It is not fair to think the nonprofit should operate the program at a loss and then suggest the difference be asked for a V.P.S.O. pay raise. I feel everyone should get a raise because of the hard, and sometimes back breaking work we do, without the nonprofit we wouldn't have some of the stuff we have, like computers etc.

Thank You.

V.P.S.O. Cpl. David J. Fox



Aleutian/Pribilof Islands Association, Inc.

201 E. 3rd Avenue
Anchorage, Alaska 99501
Phone: (907) 276-2700 • Fax: (907) 279-4351

April 20, 1999

Representative Andrew Halcro
Co-Chair
Community and Regional Affairs House Committee
House of Representatives
State Capitol
Juneau, AK 99801

Dear Representative Halcro:

The legislature has a very difficult task in reducing state funding, I understand the frustration and appreciate your efforts in solving these issues.

As you are aware, the statistics in bush Alaska for crime, child abuse, rape, domestic violence, suicide, accidental death, alcoholism, a disproportionate number of Alaska Natives in the prison system, and other social indicators, are the highest in the United States for almost every category. If these same statistics were from Anchorage, Juneau, and Fairbanks, we believe there would be respectable funding provided by the State of Alaska.

The public safety services provided in the bush by the Alaska State Troopers thru the Village Public Safety Officer Program are commendable, however, not nearly enough, as the statistical evidence reflects. With over 200 villages and only 84 funded VPSO positions, combined with constantly decreasing funding at the local municipal government level, there is unacceptable coverage of basic public safety services in the bush.

Now, during this serious decline in state funding House Bill No. 193 and Senate Bill No. 131 are proposed capping the nonprofit regional corporations indirect cost funding at 18%. Some legislators have the impression the regional nonprofit corporations indirect cost rates are excessive and that the regional nonprofit corporations are making money on VPSO Grants. This has no basis in fact. The indirect cost recovery system provides a procedure for all programs in the nonprofit regional corporations to equally share in the operating expenses. The Federal Office of Management and Budget, Circular No A-87 Revised,



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CORRECTION

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201 E. 3rd Avenue
Anchorage, Alaska 99501
Phone: (907) 276-2700 • Fax: (907) 279-4351

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House of Representatives
State Capitol
Juneau, AK 99801

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determines the rate of indirect recovery. This process is used for determining cost recovery for " state and local governments and federally-recognized Indian tribal governments (governmental units) ".

This is the same process the University of Alaska system and other State of Alaska agencies with federal grants participates in to receive that funding. The University of Alaska's indirect cost rates vary for different sites around the state, they range from 21.3% to 51.3% (copy of negotiation agreement enclosed). I do not hear members of the legislature suggesting these are excessive and the State of Alaska will only accept up to 18% of the indirect cost recovery, the rest will be returned to Washington D.C.

The regional nonprofits total indirect rates combined are 18% of the total VPSO Grant funding. And there are differences between the nonprofit regional corporations rates. Generally, the smaller nonprofit regional corporations have a higher indirect cost rate, a reflection of the economics of scale.

Each year the nonprofit regional corporations VPSO Grants are audited by an independent CPA firm as a requirement of the VPSO Grant. None of these audits, which are provided to the State of Alaska, have determined fraud, abuse, wasteful spending, or the regional nonprofits making money administering the VPSO Grants.

The indirect cost recovery system is extremely complex. These bills do not recognize this fact. I would suggest the committee consider the following actions before any further consideration of House Bill No. 193:

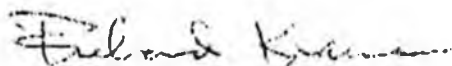
- 1 The committee have testimony from a CPA firm which has audited any of the regional nonprofits regarding the indirect cost system and other expenses.
- 2 The committee ask the Legislative Audit staff to analyze the regional nonprofits indirect cost system and other expenses.
- 3 The committee establish a review of all aspects of the VPSO Program, programmatic and fiscal, the nonprofit regional corporations and the Department of Public Safety.

The VPSO Program has been a cost effective method of providing mandated public safety services in the bush. There are important issues which need to be addressed in the delivery of these services. However, dismantling the VPSO Program by preventing the nonprofit regional corporations to effectively manage will dwindle the services and cost more in the long run. These bills proposing a 18% cap are a oversimplified, "knee jerk" reaction to a very complex issue. They should not be considered without a comprehensive analysis of the VPSO Program.

I hope the committee will ultimately have sufficient information to make an informed decision.

Thank you.

Sincerely,



Richard Krause
VPSO Coordinator

cc: Representative Harris
Representative Dyson
Representative Morgan
Representative Joule
Representative Kookesh
Representative Murkowski



DEPARTMENT OF THE NAVY
OFFICE OF NAVAL RESEARCH
800 NORTH QUINCY STREET
ARLINGTON, VA 22217-5860

IN REPLY REFER TO

NEGOTIATION AGREEMENT

Institution: UNIVERSITY OF ALASKA
P.O. BOX 755120
FAIRBANKS, ALASKA 99775-5120

The Facilities and Administrative (F&A), staff and leave benefit rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to the University of Alaska (UA) by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by the Office of Management and Budget (OMB) Circular A-21. These F&A rates shall be used for forward pricing and billing purposes for the fiscal years (FY) 1999 through FY 2001. These staff and leave benefits shall be used for forward pricing and billing purposes for FY 1999. This rate agreement supersedes all previous rate agreements/determinations for fiscal years 1999 through 2001.

SECTION I: RATES - TYPE: PREDETERMINED (PRED) AND FIXED WITH
CARRYFORWARD PROVISIONS (FIXED)

TYPE	FROM	TO	RATE	BASE	APPLICABLE FUNCTION
<u>F&A Cost Rates</u>					
UA - Fairbanks					
<u>FY 1999 through 2001</u>					
Pred	7/1/98	6/30/01	51.3%	(a)	On-Campus Organized Research
Pred	7/1/98	6/30/01	32.4%	(a)	Ship Operations
Pred	7/1/98	6/30/01	26.5%	(a)	Poker Flat
Pred	7/1/98	6/30/01	21.3%	(a)	Arctic Region Supercomputing Center <i>22</i>
Pred	7/1/98	6/30/01	36.3%	(a)	Other Sponsored Activities

04/08/00 15:08 FAX 1 907 788 4018

ADMIN SERVICES

003/005

Negotiation Agreement
 University of Alaska
 FY 1999-2001 Predetermined F&A Rates
 FY 1999 Fixed With Carry-Forward Provisions
 Staff/Leave Benefit Rates
 Page 7 of 6

UA - Anchorage
FY 1999 through 2001

Pred	7/1/98	6/30/01	32.7%	(a)	On-Campus Organized Research
Pred	7/1/98	6/30/01	29.1%	(a)	American Russian Center
Pred	7/1/98	6/30/01	27.4%	(a)	Other Sponsored Activities

UA - Southeast FY 1999 - 2001

Pred	7/1/98	6/30/01	35.0%	(a)	Sponsored Research and Other Sponsored Activities
------	--------	---------	-------	-----	---

Systemwide FY 1999 - 2001

Pred	7/1/98	6/30/01	30.0%	(a)	Sponsored Training
------	--------	---------	-------	-----	--------------------

LEAVE BENEFIT RATES

The rates shown below include annual, sick, and holiday leave.

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE FUNCTION</u>
Fixed	7/01/98	6/30/99	21.9%	(b)	Classified
Fixed	7/01/98	6/30/99	20.7%	(b)	Classified Union
Fixed	7/01/98	6/30/99	19.4%	(b)	APT Exempt
Fixed	7/01/98	6/30/99	19.4%	(b)	Executive
Fixed	7/01/98	6/30/99	1.4%	(b)	Faculty, UNAC
Fixed	7/01/98	6/30/99	.3%	(b)	Faculty, ACCFT
Fixed	7/01/98	6/30/99	16.8%	(b)	Extended Temporary

Negotiation Agreement
University of Alaska
FY 1999-2001 Predetermined F&A Rates
FY 1999 Fixed With Carry-Forward Provisions
Staff/Leave Benefit Rates
Page 4 of 6

SECTION II - GENERAL TERMS AND CONDITIONS

A. **LIMITATIONS:** Use of the rates set forth under Section I is subject to any statutory or administrative limitations and is applicable to a given grant, contract or other agreement only to the extent that funds are available and consistent with any and all limitations of cost clauses or provisions, if any, contained therein. Acceptance of the rates agreed to herein is predicated upon all of the following conditions: (1) that no costs other than those incurred by the grantee/contractor were included in this indirect cost pool as finally accepted and that such costs are legal obligations of the grantee/contractor and allowable under governing cost principles; (2) that the same costs that have been treated as indirect costs are not claimed as direct costs; (3) that similar types of costs have been accorded consistent accounting treatment; and (4) that the information provided by the grantee/contractor, which was used as the basis for acceptance of the rates agreed to herein and expressly relied upon by the Government in negotiating and accepting the said rates, is not subsequently found to be materially incomplete or inaccurate.

B. **ACCOUNTING CHANGES:** The rates contained in Section I of this agreement are based on the accounting system in effect at the time the agreement was negotiated. Changes to the method(s) of accounting for costs which affect the amount of reimbursement resulting from the use of these rates require the written approval of the authorized representative of the cognizant negotiating agency for the Government prior to implementation of any such changes. Such changes include but are not limited to changes in the charging of a particular type of costs from indirect to direct. Failure to obtain such approval may result in subsequent cost disallowances.

C. **PREDETERMINED RATES:** This type of rate is considered final and not subject to adjustment in accordance with the provisions of OMB Circular A-21 and the Federal Acquisition Regulation, subject to the limitations contained in Part A of this section.

D. **CARRY-FORWARD AMOUNTS:**

1. The rates set forth in this agreement are inclusive of

Negotiation Agreement
 University of Alaska
 FY 1999-2001 Predetermined F&A Rates
 FY 1999 Fixed With Carry-Forward Provisions
 Staff/Leave Benefit Rates
 Page 6 of 6

of the University of Alaska and the Government, acknowledges and affirms the University's request for waiver, dated 31 March 1998, of the prohibition contained in DFARS 231.303(1) and the Government's exercise of its discretion under DFARS 231.303(2) to waive the prohibition in DFARS 231.303(1). The waiver request by the University of Alaska is made to simplify the University's overall management of DoD cost reimbursements under any DoD contracts.

FOR THE UNIVERSITY:

FOR THE U.S GOVERNMENT:

Jim Lynch
 JIM LYNCH
 Associate Vice President, Finance

Michael Kuc
 MICHAEL KUC
 Contracting Officer

Date

Date

9/10/989-2-98

for information concerning this agreement contact:

OFFICE OF NAVAL RESEARCH
 GIGI FORDHAM
 INDIRECT COSTS/ONR 242
 800 N. QUINCY STREET
 ARLINGTON, VA 22217
 PHONE: (703) 696-8559
 E-MAIL: fordham@onr.navy.mil

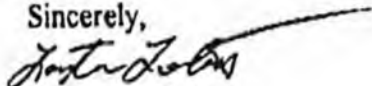
**Village Public Safety Officer Layton E. Lockett Jr.
P. O. Box 6-Nelson Lagoon, AK 99571-0006
Tel (907) 989-2232-Fax (907) 989-2281**

Dear Representative Andrew Halcro:

I strongly oppose passage of Senate Bill 131 and House Bill 193 for safety of all rural villagers in the State of Alaska, as do the residents of our village in Nelson Lagoon.

Why are the villages expected to provide offices, housing assistance, vehicles etc., for the Village Public Safety Officers? Why don't communities with Alaska State Troopers stationed in them have to provide the same?

Sincerely,



VPSO Layton E. Lockett
Nelson Lagoon, Alaska

LL

HB

2000

I-LS0807G
Cook✓
4/20/99

CS FOR HOUSE BILL NO. 200(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the determination of full and true value of taxable property
2 in a municipality; relating to exemptions for municipal property taxes for certain
3 primary residences; relating to property tax equivalency payments for certain
4 residents; and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 14.17.510(a) is amended to read:

7 (a) To determine the amount of required local contribution under
8 AS 14.17.410(b)(2) and to aid the department and the legislature in planning, the
9 Department of Community and Regional Affairs, in consultation with the assessor for
10 each district in a city or borough, shall determine the full and true value of the taxable
11 real and personal property in each district in a city or borough. If there is no local
12 assessor or current local assessment for a city or borough school district, then the
13 Department of Community and Regional Affairs shall make the determination of full
14 and true value from information available. In making the determination, the

1 Department of Community and Regional Affairs shall be guided by AS 29.45.110.
2 However, the value of property exempted under AS 29.45.050(i) may not be
3 included in the determination to the extent of the exemption. The determination
4 of full and true value shall be made by October 1 and sent by certified mail, return
5 receipt requested, on or before that date to the president of the school board in each
6 city or borough school district. Duplicate copies shall be sent to the commissioner.
7 The governing body of a city or borough that is a school district may obtain judicial
8 review of the determination. The superior court may modify the determination of the
9 Department of Community and Regional Affairs only upon a finding of abuse of
10 discretion or upon a finding that there is no substantial evidence to support the
11 determination.

12 * Sec. 2. AS 29.45.030(h) is amended to read:

13 (h) Nothing in (i) [EXCEPT AS PROVIDED IN (g) OF THIS SECTION,
14 NOTHING IN (e) - (j)] of this section affects similar exemptions from property taxes
15 granted by a municipality on September 10, 1972 [, OR PREVENTS A
16 MUNICIPALITY FROM GRANTING SIMILAR EXEMPTIONS BY ORDINANCE
17 AS PROVIDED IN AS 29.45.050].

18 * Sec. 3. AS 29.45.030(k) is amended to read:

19 (k) The department shall adopt regulations to implement the provisions of [(g)
20 AND] (j) of this section.

21 * Sec. 4. AS 29.45.050(i) is amended to read:

22 (i) A municipality may by ordinance approved by the voters wholly or
23 partially exempt from taxation the assessed value [THAT EXCEEDS \$150,000] of
24 real property owned and occupied as a permanent place of abode by a resident who
25 is (1) 65 years of age or older; (2) a disabled veteran, including a person who was
26 disabled in the line of duty while serving in the Alaska Territorial Guard; or (3) at
27 least 60 years old and a widow or widower of a person who qualified for an exemption
28 under (1) or (2) of this subsection. An ordinance adopted under this subsection
29 may limit the exemption to only those individuals with financial need as defined
30 in the ordinance.

31 * Sec. 5. AS 29.45.030(a)(6), 29.45.030(c), 29.45.030(f), 29.45.030(g), 29.45.030(i), and

1 29.45.040 are repealed.

2 * Sec. 6. This Act takes effect January 1, 2000.

4-19-1999 1:33PM FROM VFW DEPT. OF ALASKA 9072786780

P. 1

Please do not support House Bill 200. I think it is completely unfair to try and balance the budget deficit on the backs of disabled veterans and elderly people.

House Bill 200 is a disgrace to individuals who have given so much for the freedom of this country. Their earning power is already diminished due to their disability and now you will penalize them more if House Bill 200 passes.

House Bill 200 needs to be deep sixed immediately. This would cause undue hardship to disabled veterans and elderly residences of this great state and cause many of them to have to relocate.

I request that you do not support House Bill 200. If passed, this bill would be devastating to our handicapped veterans and other elderly people.

John W. Munnich
STATE COMMANDER
VETERANS OF FOREIGN WARS
PO Box 810455
WASILLA AK 99687

4-20-99

Please submit as written testimony to the House Community & Regional Affairs Committee regarding HB 200 and the Senate Finance Committee regarding SB 151:

"The state's plan to continue excessive government, bureaucracies, etc. at expense of municipalities and senior citizens is a travesty (HB 200, SB 151). Cut whole departments, reduce all operational expenses and salaries by 10% (Governor on down), SELL state land, stop "discretionary funding" and put a one-year moratorium on all capital projects. Thanks."

Stan Thompson
Box 217
Kenai, AK 99611

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Alaska State Legislature
House Finance Committee



State Capitol, Juneau, Alaska 99901-1182

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Sponsor Statement

House Bill 200

Repeals State Mandated Senior Citizen/Disabled Veteran Property Tax Exemption

The Senior Citizen/Disabled Veteran Property Tax Exemption Program is a classic unfunded mandate on local governments.

This tax exemption was last fully funded in 1985. Since 1985 the funding has dwindled from 100% down to 0% the past 3 years. It is not funded in the FY 00 budget proposal. The budget the House passed limits state financial assistance to local communities as a partial response to the billion dollar deficit the state faces. We believe the state should remove mandates it is not able to fully fund.

House Bill 200 does not directly affect the property tax exemption. HB 200 makes the senior citizen property tax exemption a permissive, rather than mandatory, program for local governments. It turns over to each local government the decision whether or not to tax property owned by disabled veterans or seniors. This allows local communities to develop their own priorities and funding obligations, providing maximum local choice.

Senior Citizen/Disabled Veteran Property Tax Exemption

Program History

YEAR	TOTAL NUMBER OF APPLICATIONS	AMOUNT OF TAXES EXEMPTED	AMOUNT OF STATE FUNDING	STATE FUNDING PERCENTAGE
1985	5,418	4,005,075	4,005,075	100.0%
1986	6,061	4,977,451	3,958,567	79.5%
1987	6,569	6,325,763	2,770,300	43.8%
1988	7,118	6,753,663	2,622,969	38.8%
1989	7,900	7,454,557	2,519,344	33.8%
1990	8,557	8,627,081	2,543,469	29.5%
1991	9,246	9,585,192	2,557,900	26.7%
1992	9,986	11,293,150	2,838,800	25.1%
1993	10,719	13,669,469	2,838,800	20.8%
1994	11,594	14,843,296	1,551,766	10.5%
1995	12,199	16,894,296	1,163,800	6.9%
1996	12,919	18,636,513	1,163,800	6.2%
1997	13,698	20,366,257	0	0.0%
1998	14,643	22,317,994	0	0.0%
1999	15,143	24,649,743	0	0.0%
2000	15,900	27,114,717	0	0.0%

Task Force on Governmental Roles

Final Report

by

Brad Pierce, Task Force Staff

July 10, 1992

This document was produced jointly by the Governor's Office of Management and Budget and the Alaska Municipal League.



that refuse to pay for local police services or prosecute criminals. Title 29 should be changed to allow the assemblies of unified municipalities and home rule boroughs to establish service areas for police protection, notwithstanding charter restrictions. Contract jails are a state responsibility. A working group of state and local officials should be established to determine reasonable costs for contract jail facilities.

Transportation

State transportation policy must address both revenue and responsibility issues. Some form of shared fuel taxes would be the preferred funding alternative for local takeover of maintenance responsibilities on state roads. The working group process, advocated in the State Transportation Plan, offers a reasonable alternative for sorting through the myriad of localized issues on an individual road and maintenance district basis. Each municipality should enter into a contract with DOT/PF to ensure that state roads are brought up to standard before assuming maintenance responsibilities.

Senior Citizen / Disabled Veteran Property Tax Exemption

The Senior Citizen / Disabled Veteran Property Tax Exemption is a classic example of a seriously underfunded state mandate on municipalities that should either be changed into a direct state rebate program or made a local option.

Municipal Assistance and Revenue Sharing

The legislature should consider combining the Revenue Sharing and Municipal Assistance Programs into a single distribution formula that rewards municipalities for local revenue generation and compensates them for population increases.

State Tax Policies

The Task Force examined two statewide tax alternatives, a personal income tax and general sales tax, without making recommendations on either. It also studied the relative tax burden of households in Alaska compared to the national average. Members felt that the information collected was important enough to publish in the Final Report (see Section VI and Appendices 1 and 2) for review by future work groups and task forces involved in fiscal policy development or weighing various revenue alternatives.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 16, 1999

SUBJECT: Determination of full and true value (CSHB 200(CRA))

TO: Representative Andrew Halero, Co-Chair
House Community and Regional Affairs Committee
Attn: Jonathan Lack

FROM: Tamara Brandt Cook
Director

TBC

Here is the draft committee substitute you requested adding a provision to HB 200 amending the section of law that requires the Department of Community and Regional Affairs to determine the full and true value of taxable municipal property so that property which has been granted a senior/disabled veterans exemption will not be included in the calculation. This I did in bill sec. 1 by amending AS 14.17.510(a). I understand the purpose of the change is to avoid including this type of exempted property in the 4 mill local contribution calculation for public school funding purposes. That statute is AS 14.17.410(b)(2) and it contains a cross-reference to the statute amended in this bill, AS 14.17.510(a).

There are, however, other statutes that rely on the determination of full and true value under AS 14.17.510(a). Those statutes will also be affected by the change made in bill sec. 1 of this draft. They are AS 14.11.008(b); AS 14.17.410(c) and (e) (as well as (b), which I have already mentioned); AS 14.17.490(b); and AS 29.60.030(d). I know of no policy reason for treating these provisions differently with regard to how full and true value is determined, but you might want to check with the Department of Education with respect to the provisions in AS 14 that are affected and with the Department of Community and Regional Affairs with respect to the change in AS 29.60.030(d) (municipal revenue sharing).

TBC;jdr:gle
09-218,jdr

Enclosure

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Alaska State Legislature
House Finance Committee



State Capitol, Juneau, Alaska 99801-1182

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Sponsor Statement

Committee Substitute for House Bill 200

Repeals State Mandated Senior Citizen/Disabled Veteran Property Tax Exemption

The Senior Citizen/Disabled Veteran Property Tax Exemption Program is a classic unfunded mandate on local governments.

This tax exemption was last fully funded in 1985. Since 1985 the funding has dwindled from 100% down to 0% the past 3 years. It is not funded in the FY 00 budget proposal. The budget the House passed limits state financial assistance to local communities as a partial response to the billion dollar deficit the state faces. We believe the state should remove mandates it is not able to fully fund.

House Bill 200 does not directly affect the property tax exemption. HB 200 makes the senior citizen property tax exemption a permissive, rather than mandatory, program for local governments. It turns over to each local government the decision whether or not to tax property owned by disabled veterans or seniors. This allows local communities to develop their own priorities and funding obligations, providing maximum local choice.

The Committee Substitute corrects an unintended change that would be caused by making the exemption optional. The CS provides that any property made exempt pursuant to AS29.45.050 would not be counted toward the property tax base in calculating funding for education. This change is necessary so as to prevent added cost to a municipality that chooses to continue the exemption.

1-LS0807D ✓
Cook
4/16/99

CS FOR HOUSE BILL NO. 200(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the determination of full and true value of taxable property
2 in a municipality; relating to exemptions for municipal property taxes for certain
3 primary residences; relating to property tax equivalency payments for certain
4 residents; and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * Section 1. AS 14.17.510(a) is amended to read:

7 (a) To determine the amount of required local contribution under
8 AS 14.17.410(b)(2) and to aid the department and the legislature in planning, the
9 Department of Community and Regional Affairs, in consultation with the assessor for
10 each district in a city or borough, shall determine the full and true value of the taxable
11 real and personal property in each district in a city or borough. If there is no local
12 assessor or current local assessment for a city or borough school district, then the
13 Department of Community and Regional Affairs shall make the determination of full
14 and true value from information available. In making the determination, the

1 Department of Community and Regional Affairs shall be guided by AS 29.45.110.
2 However, the value of property exempted under AS 29.45.050(i) may not be
3 included in the determination to the extent of the exemption. The determination
4 of full and true value shall be made by October 1 and sent by certified mail, return
5 receipt requested, on or before that date to the president of the school board in each
6 city or borough school district. Duplicate copies shall be sent to the commissioner.
7 The governing body of a city or borough that is a school district may obtain judicial
8 review of the determination. The superior court may modify the determination of the
9 Department of Community and Regional Affairs only upon a finding of abuse of
10 discretion or upon a finding that there is no substantial evidence to support the
11 determination.

12 * Sec. 2. AS 29.45.030(h) is amended to read:

13 (h) Nothing in (j) [EXCEPT AS PROVIDED IN (g) OF THIS SECTION,
14 NOTHING IN (e) - (j)] of this section affects similar exemptions from property taxes
15 granted by a municipality on September 10, 1972 [, OR PREVENTS A
16 MUNICIPALITY FROM GRANTING SIMILAR EXEMPTIONS BY ORDINANCE
17 AS PROVIDED IN AS 29.45.050].

18 * Sec. 3. AS 29.45.030(k) is amended to read:

19 (k) The department shall adopt regulations to implement the provisions of [(g)
20 AND] (j) of this section.

21 * Sec. 4. AS 29.45.050(i) is amended to read:

22 (i) A municipality may by ordinance approved by the voters wholly or
23 partially exempt from taxation the assessed value [THAT EXCEEDS \$150,000] of
24 real property owned and occupied as a permanent place of abode by a resident who
25 is

26 (1) 65 years of age or older;

27 (2) a disabled veteran, including a person who was disabled in the line
28 of duty while serving in the Alaska Territorial Guard; or

29 (3) at least 60 years old and a widow or widower of a person who
30 qualified for an exemption under (1) or (2) of this subsection.

31 * Sec. 5. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(i), and

- 1 29.45.040 are repealed.
- 2 * Sec. 6. This Act takes effect January 1, 2000.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 200

Revision Date: 4-20-99
Title: Municipal Property Tax Exemptions
Sponsor: House Finance
Requester: _____

Dept. Affected _____
BRU _____
Component _____
Component Serial No. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES []						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation has no fiscal impact

Prepared by

Justin Cook
JUSTIN LACK, House Commerce and Regional Affairs Committee Staff

Phone 465-4929

Phone _____

Date _____



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907)586-1325, Fax (907)-463-5480

April 19, 1999

Representative Andrew Halero, Co-chair
Representative John Harris, Co-chair
House Community and Regional Affairs Committee
State Capitol
Juneau, AK 99801

Dear Chairs Halero and Harris:

On behalf of the members of the Alaska Municipal League and Alaska Conference of Mayors, we are writing to support passage of HB 200, exemptions for municipal property taxes for certain primary residences (senior citizens and disabled veterans). We would like to see changes to the bill to:

- ensure that municipalities are not penalized under the school funding formula, and;
- give the communities the broadest possible discretion to work with seniors, veterans, and the public to design a program that meets the needs of individual communities including needs based exemptions, capping exemption amounts, or tax deferral, etc.

In 1973, the program to exempt senior citizens from local property taxes was enacted by the Alaska Legislature. AS 29.45.030(e) requires municipalities to exempt from local property tax, "real property owned and occupied as the primary residence and permanent place of abode by (1) resident 65 years or older; (2) disabled veteran; or (3) resident at least 60 years old who is a widow or widower of a person qualified" for such an exemption, up to an assessed value of \$150,000. The program also required the state to reimburse municipalities for tax revenues lost to their communities because of the exemption.

Although the exemption is mandated by state law, full funding for the exemption has not been provided by the state since 1985, which has meant that all other municipal taxpayers have been forced to bear an additional tax burden. The state zeroed out reimbursement for the program in 1996, and now costs municipal taxpayers nearly \$25 million in 1999. The cost of this program is increasing at \$2-3 million per year and has increased 400 percent since 1990.

Over the years, the League has supported changes to the program in order to give local taxpayers an option on how it is managed. Our first choice is that the state fully fund its exemptions by reimbursing municipalities. In light of current budget considerations, however, we understand that may not be possible.

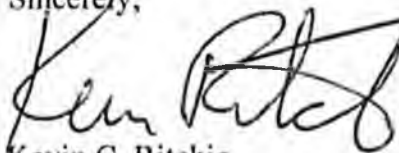
Our understanding is that HB 200 eliminates the requirement for municipalities to exempt senior citizens and disabled veterans and makes it an optional program with a vote of the people. At this time, we know of no community that plans to eliminate the program entirely, because seniors have come to rely on the exemption. Municipalities could change the program to try and slow the growth by:

- Reducing the exemption amount. In the past, we have proposed reducing the exemption to \$75,000, which would protect seniors who need it most and still offer a substantial discount to others, or
- Make it a needs-based program, or
- Defer the taxes until the property is sold or some other future date, or
- Some combination of the above

None of the above changes would reduce the present cost of the program to taxpayers, but only slow the growth in future years. HB 200 should be part of a long-range fiscal plan to control costs, but is of no help in saving money next year. While we support decisions on tax exemptions to be made at the local level, we must stress that we are unaware of any community that plans to eliminate the exemption.

We again stress that HB 200, in fairness to seniors and disabled veterans, will not realistically recapture substantial revenues from seniors and disabled veterans next year. Also, for those municipalities with a tax cap, this bill will not increase revenues but will spread the tax burden among more tax payers. In addition, this will not make up for cuts to state revenue sharing programs. If you have any questions, please call 586-1325.

Sincerely,



Kevin C. Ritchie
Executive Director

cc: AML Board of Directors

c:\jk\leg99\hb200ltr.doc

Alaska State Legislature

HOUSE OF REPRESENTATIVES

Rep. Andrew Halcro, Co-Chair
Rep. John Harris, Co-Chair
Rep. Carl Morgan
Rep. Lisa Murkowski
Rep. Fred Dyson
Rep. Reggie Joule
Rep. Al Kookesh



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Juneau, Alaska
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COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

ADDITIONAL MATERIAL FOR HB 200

APRIL 22, 1999 HEARING

HB

215



DISABLED AMERICAN VETERANS DEPARTMENT OF ALASKA

DEPARTMENT HEADQUARTERS

2352 Broadmoor Ave.
Fairbanks, Alaska 99709
Phone: 907-479-4008
Fax: 907-479-4007

DEPARTMENT SERVICE OFFICER

Anchorage: 907-276-2842
Fax: 907-258-9328
Toll Free: 1-800-827-1000 ext. 4803
Fairbanks: 907-457-6633
Fax: 907-476-0475
Toll Free: 1-800-822-5070

RESOLUTION #3 1999

THE DISABLED AMERICAN VETERANS, DEPARTMENT OF ALASKA IS ADAMANTLY
OPPOSED TO THE LEGISLATURE'S ATTEMPT TO REPEAL THE RENTER'S
EQUIVALENCY REBATE & THE HOME PROPERTY TAX EXEMPTION PROGRAMS FOR
DISABLED VETERANS & SENIOR CITIZENS.

THE STATE OF ALASKA HAS ESTABLISHED A COVENANT WITH THE DISABLED
VETERANS, IN LAW, PROVIDING HOME PROPERTY TAX EXEMPTION & RENTER'S
EQUIVALENCY REBATE IN RECOGNITION OF THEIR SERVICE & SACRIFICE TO A
GRATEFUL NATION & A GRATEFUL STATE.

THE STATE CREATED A COVENANT WHERE-BY DISABLED VETERANS WERE
ALLOWED TO RETURN TO THEIR HOMES AND RESIDE DISPIE DISABILITIES THAT
LIMITED THEIR OPPORTUNITY TO PURSUE MEANINGFUL EMPLOYMENT.

FOR THE STATE OF ALASKA TO NOW REVOKE THESE PROGRAMS WOULD BE
UNCONSCIONABLE, AND RESULT IN FINANCIAL HARDSHIP FOR MANY OF THE MEN
AND WOMEN WHO HAVE SO UNSELFISHLY SACRIFICED FOR OUR NATION.

ALTHOUGH WE CAN NOT QUOTE ACTUAL NUMBERS, THIS ACTION MAY FORCE
DISABLED VETERANS AND THEIR FAMILIES TO RELOCATE WITHIN THE STATE OF
ALASKA TO THOSE COMMUNITIES THAT MAY GRANT THE EXEMPTIONS OR BE
FORCED, BECAUSE OF LIMITED INCOME TO LEAVE OUR GREAT STATE THAT THEY
ARE PROUD TO CALL HOME.

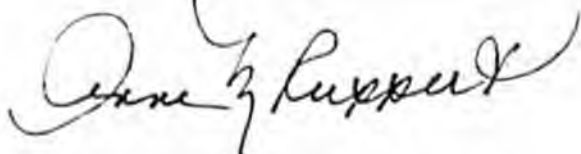
FOR THE STATE LEGISLATURE TO TRY AND BALANCE THE BUDGET ON THE BACKS OF DISABLED VETERANS, PARTICULARLY AT A TIME WHEN THE MEN AND WOMEN OF OUR ARMED SERVICES ARE INVOLVED IN ARMED CONFLICT IS NOT ONLY MORALLY WRONG, BUT A GRAVE INJUSTICE TO THOSE WHO HAVE SERVED AND SACRIFICED.

THEREFORE LET IT BE RESOLVED THAT;

ON THIS 24TH DAY OF APRIL 1999 THAT THE STATE OF ALASKA HONOR ITS PLEDGE TO THE DISABLED VETERANS OF THIS GREAT STATE AND CONTINUE TO PROVIDE THE PROPERTY TAX EXEMPTION AND RENTER'S REBATE PROGRAMS FOR DISABLED VETERANS, THEIR FAMILIES AND SENIOR CITIZENS.

VOTED ON AND PASSED BY THE DISABLED AMERICAN VETERANS, DEPARTMENT OF ALASKA DELEGATES AT THEIR CONVENTION HELD IN FAIRBANKS, ALASKA.

SIGNED THIS 24TH DAY OF APRIL 1999.



ANNE M. RUPPERT
ADJUTANT/TREASURER
DEPARTMENT OF ALASKA

(SEAL)

Alaska State Legislature
House of Representatives
Minority Leader



Alaska State Capitol
Juneau, Alaska 99801-1182
1-888-465-4919 (toll free)
1-907-465-2137 (fax)

Interim Address
716 West Fourth Avenue
(phone) 1-907-269-0130
(fax) 1-907-269-0132

Representative Ethan Berkowitz
District 13

House Bill 215

"An Act making an appropriation to the Department of Community and Regional Affairs for renters' tax equivalency payments; and providing for an effective date."

Sponsor Statement

The Renter's Equivalency Rebate Program (usually referred to as "Renter's Rebate") was established in 1976 to aid low-income seniors with housing costs. In 1985, disabled veterans were added to the program. Renter's Rebate typically provides a small housing stipend averaging \$277 a year to individuals who are elderly and/or disabled with incomes in the neighborhood of \$1,000 per month.

Since 1991, funding for the program has dropped from roughly \$820,000 to \$300,000. Adjusting for inflation and population growth, fully funding the Renter's Rebate program would require \$1,133,000 in Fiscal Year 2000. House Bill 215 appropriates a modest level of support for the Renter's Rebate program – just \$300,000.

Some have suggested that all Alaskans should share the pain of budget cuts. Failure to pass this legislation means that seniors and disabled veterans – people who have served our country and communities – will assume all the pain of budget cuts.

I would appreciate your support of this legislation.

Patrick
No needs based

HOUSE BILL NO. 215

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES BERKOWITZ, Croft, Grussendorf, Cissna, Smalley, Moses, Kemplen, Brice, Kerttula

Introduced: 4/28/99

Referred: Community and Regional Affairs, Finance

Funding Information:	General Fund	\$300,000
	Other Funds	<u>-0-</u>
		\$300,000

A BILL

FOR AN ACT ENTITLED

1 "An Act making an appropriation to the Department of Community and Regional
 2 Affairs for renters' tax equivalency payments; and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. The sum of \$300,000 is appropriated from the general fund to the Department
 5 of Community and Regional Affairs for renters' tax equivalency payments under AS 29.45.040
 6 for the fiscal year ending June 30, 2000.

7 * Sec. 2. This Act takes effect July 1, 1999.

HB

233

ALASKA STATE LEGISLATURE

CO-CHAIR
COMMUNITY AND REGIONAL AFFAIRS

VICE-CHAIR
LABOR AND COMMERCE
TRANSPORTATION

SPECIAL COMMITTEE
ECONOMIC DEVELOPMENT AND TOURISM

REPRESENTATIVE ANDREW HALCRO

District 12

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FAX (907) 269-0248

To: Rep. John Harris
Rep. Carl Morgan
Co-Chairmen
House Community and Regional Affairs Committee

From: Rep. Andrew Halcro *AH*

Re: HB 233, Municipal Bankruptcy Protection

Date: January 24, 2000

Last year, as the Co-Chairman of the House Community and Regional Affairs Committee, I introduced legislation to allow local governments to seek protection in federal bankruptcy court. This bill, HB 233, has been assigned to the Community and Regional Affairs Committee for consideration.

Attached are copies of the sponsor statement, the bill, and supporting information for your review. I would appreciate your scheduling this bill for consideration in the Community and Regional Affairs Committee at your earliest convenience.

ALASKA STATE LEGISLATURE

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CO-CHAIR
COMMUNITY AND REGIONAL AFFAIRS

VICE-CHAIR
LABOR AND COMMERCE
TRANSPORTATION

SPECIAL COMMITTEE
ECONOMIC DEVELOPMENT AND TOURISM

REPRESENTATIVE ANDREW HALCRO

District 12

HB 233

SPONSOR STATEMENT

In 1994, the United States Congress changed the bankruptcy code to require states to give local governments specific authority to seek protection in the bankruptcy courts. Most states have granted their local governments this authority. Alaska has not. HB 233 would allow local governments in Alaska to seek bankruptcy protection.

Smaller communities are often in a tenuous financial condition, often only meeting expenses on a month-to-month basis. Should a financial situation arise where a community would not be able to meet its obligations because of an unexpected natural disaster or tort liability, that community's assets could be placed at risk. HB 233 would allow a local government to seek protection in bankruptcy court allowing them to reorganize their debts and protect public assets.

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Cook

1/26/00

CS FOR HOUSE BILL NO. 233()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act granting authority to each municipality or other political subdivision,
 2 public agency, or other instrumentality of the state to be a debtor under Chapter
 3 9 of the Federal Bankruptcy Act and to take any appropriate action authorized
 4 by federal law relating to bankruptcy."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * Section 1. AS 37.25 is amended by adding a new section to read:

7 Sec. 37.25.050. Bankruptcy of state political subdivisions and
 8 instrumentalities. The state grants authority under 11 U.S.C. 109(c) to each
 9 municipality or other political subdivision, public agency, or other instrumentality of
 10 the state to be a debtor under 11 U.S.C. 901 - 946 (Chapter 9 of the Federal
 11 Bankruptcy Act) and to take any appropriate action authorized by federal law relating
 12 to bankruptcy.

ALASKA STATE LEGISLATURE

CO-CHAIR
COMMUNITY AND REGIONAL AFFAIRS

VICE-CHAIR
LABOR AND COMMERCE
TRANSPORTATION

SPECIAL COMMITTEE
ECONOMIC DEVELOPMENT AND TOURISM



REPRESENTATIVE ANDREW HALCRO

District 12

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HB 233

SPONSOR STATEMENT

In 1994, the United States Congress changed the bankruptcy code to require states to give local governments specific authority to seek protection in the bankruptcy courts. Most states have granted their local governments this authority. Alaska has not. HB 233 would allow local governments in Alaska to seek bankruptcy protection.

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December 8, 1999

OUR FILE: N/A

Rep. Andrew Halcro
Co-Chair, Community & Regional Affairs
Alaska State Legislature
716 West Fourth Avenue, Suite 620
Anchorage, AK 99501

Re: HB 233

Dear Mr. Halcro:

Receipt of your letter dated November 22, 1999 regarding the above-referenced legislation is acknowledged. Per your request, I offer the following general comments.

1. First, I believe it important to note that bankruptcy reorganization is not necessarily the panacea for all that ails a debtor.
2. Chapter 9 of the Bankruptcy Code is very similar in operation to chapter 11. Unfortunately, as those of us with experience practicing in the chapter 11 arena can attest, chapter 11 is a somewhat complex, cumbersome and expensive process. It was not designed with the small business in mind. Consequently, the corresponding provisions of chapter 9 suffer from the same shortcoming.
3. Bankruptcy notwithstanding, it must be recognized that any debtor, including a municipality under chapter 9, must be able to meet its ongoing obligations, *i.e.*, those that arise after the petition was filed. In many chapter 11 cases, the combined burden of the additional administrative expenses imposed by the bankruptcy process itself coupled with the "normal" on-going regular operating expenses, renders it impossible for a debtor to successfully reorganize. I suspect the same may be true with smaller municipalities in Alaska; especially those with a limited tax base, which is by far the vast majority of the smaller municipalities..
4. A municipality filing for bankruptcy protection is still subject to the power of the State to control the exercise of the political or governmental powers of the municipality, including expenditures for such exercise. Thus, notwithstanding a bankruptcy filing, the State may continue to exercise its governmental powers over municipalities, its political subdivisions.
5. In the event of a controversy or dispute between the municipality and the State, the Eleventh Amendment immunity of the State would preclude the resolution of that dispute or controversy in the bankruptcy forum. Any such dispute or controversy would have to be resolved, unless the parties resolve it otherwise, in the Alaska Superior Court.

Rep. Andrew Halcro
December 8, 1999
Page 2

The foregoing should not be construed as opposition to the proposed bill. Quite to the contrary, should the Legislature fail to enact HB 233, under § 109(c)(2) of the Bankruptcy Code, an Alaska municipality would not be able to file a bankruptcy petition, even where such filing was appropriate and would benefit the municipality. My comments are intended to be merely a cautionary note about what could possibly be unreasonable expectations. In particular, I caution the Legislature that the fact an Alaska municipality would be empowered to obtain bankruptcy relief, while it may reduce the degree to which State assistance is required, it may not, in many cases, eliminate it.

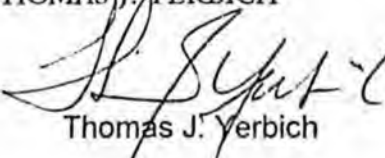
The only change I would recommend would be to add a provision waiving the Eleventh Amendment immunity of the State in bankruptcy cases filed by municipalities. It makes little sense to require resolution of disputes between the municipality and the State be resolved in the State courts, a process that could delay or otherwise hamper obtaining the very relief required by the municipality. As with other disputes involving debtors and interested parties, it would probably be more efficient and less likely to hamper the reorganization process to permit disputes with the State to be resolved in the bankruptcy forum. This could be accomplished by simply redesignating the current language of the bill as subdivision (a) and adding a new subdivision (b) reading: "(b) For the purposes of proceedings brought by a municipality under this section, and that purpose alone, the state consents to the jurisdiction of federal courts and waives its immunity under the Eleventh Amendment to the Constitution of the United States."

In closing, I hope that HB 233 is never needed. But its necessity as a prophylactic measure certainly exists.

Very truly yours,

Law Office THOMAS J. YERBICH

By:


Thomas J. Yerbich

RHONDA LEE FEHLEN

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December 3, 1999
Via Facsimile 269-0248

Andrew Halcro
State Representative
716 West 4th Avenue, Suite 620
Anchorage, AK 99501

Re: HB 233
Municipal bankruptcy

Dear Representative Halcro:

Thank you for your letter of November 22, 1999. My law practice is limited to bankruptcy issues, so the legislation described in HB 233 is pertinent to my work.

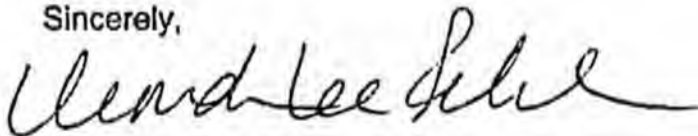
As you probably already know, municipalities already have the right to file for protection from creditors under federal law. See enclosed copy of 11 U.S.C. §109(c). A separate chapter of the Bankruptcy Code, Chapter 9, provides bankruptcy relief for any municipality, including those in the state of Alaska.

In order for a state to utilize this section for protection from its' creditors, however, State law must specifically authorize a municipality to become a debtor. See §109(c)(2). I suggest you may want to consider rewording the bill to comport with language contained in the statute, at lines 1 and 6:

[Line 1] "An Act granting specific authority to each municipality...."

[Line 6] "... The state grants specific authority to each municipality...."

Sincerely,



Rhonda Lee Fehlen

Attachment: 11 U.S.C. §109(c)



Jermain Dunnagan & Owens, P.C.

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December 6, 1999

Representative Andrew Halcro, Co-Chair
Community and Regional Affairs Committee
716 W. 4th Avenue, Ste. 620
Anchorage, AK 99501-2133

Re: HB 233

Dear Representative Halcro:

Thank you for giving me the opportunity to present you with my comments, thoughts, and suggestions regarding the legislation that you introduced to permit local governments in Alaska to seek protection from creditors in federal bankruptcy court.

In my opinion, HB 233 reflects good public policy. The 1994 Bankruptcy Reform Act requires that municipalities be specifically authorized by State law to seek the protections of Chapter 9 of the Bankruptcy Code. There is absolutely no reason why a municipality in the State of Alaska should be denied that remedy if it meets the other criteria governing eligibility for Chapter 9 relief.

My only concern is that HB 233 may be ambiguous as to the definition of "municipality." 11 U.S.C. § 101(40) defines a municipality as a "political subdivision or public agency or instrumentality of a State." However, pursuant to AS 01.10.060(a)(4), a municipality is defined as "a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough, or a unified municipality." In other words, the State law definition of "municipality" is more restrictive. It does not include an instrumentality of the State such as the University of Alaska or a regional educational attendance area established pursuant to AS 14.08 *et seq.*

Regarding regional educational attendance areas, it is important to note that pursuant to AS 14.12.020(c), "[t]he legislature shall provide the state money necessary to maintain and operate the regional educational attendance areas." Also, pursuant to AS 14.17.900(a), "[t]he state is not responsible for the debts of a school district."

Therefore, the definition of "municipality" in HB 233 should reference the Federal Bankruptcy Act definition. This would allow instrumentalities of the State to

avail themselves of Chapter 9 protections if they meet the other governing criteria. In short, if the federal remedy is available, access to that remedy should be authorized under State law.

I suggest that in HB 233 after the first reference to "municipality," the following phrase be added "as defined in the Federal Bankruptcy Act."

Thank you for your time and consideration.

Sincerely,

JERMAIN, DUNNAGAN & OWENS, P.C.



Gary C. Sleeper